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09/625,017	07/25/2000	David LeVine	JMBDP002	7171

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EXAMINER
HAYES, JOHN W

ART UNIT	PAPER NUMBER
3621	

DATE MAILED: 07/08/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/625,017	Applicant(s) LEVINE, DAVID	
	Examiner John W Hayes	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *06 May 2003* .

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-15 and 20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-15 and 20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☒ The proposed drawing correction filed on *06 May 2003* is: a)☒ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☒ None of:

1.☒ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

Status of Claims

1. Applicant has canceled claims 16-19 in the amendment filed 06 May 2003. Thus, claims 1-15 and 20 remain pending and are again presented for examination.

Response to Arguments

2. Applicant's arguments filed 06 May 2003 have been fully considered but they are not persuasive.

Applicant asserts that the present invention relates to "substantially asynchronous transaction steps" while the Logan reference discloses a purely sequential task loop. Examiner notes that the courts have reviewed the law of claim interpretation at some length, and explained that dictionaries, encyclopedias and treatises are reliable and objective resources available to assist the court in determining the ordinary and customary meaning of claim terms. See *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 64 USPQ2d 1812 (CAFC 2002) and *Boehringer Ingelheim Vetmedica, Inc. v. Schering-Plough Corp.*, 65 USPQ2d 1961, 1965 (Fed. Cir. 2003). Examiner submits that the term asynchronous is defined as "pertaining to, being, or characteristic of something that is not dependent on timing. For example, asynchronous communications can start and stop at any time instead of having to match the timing governed by a clock" by Microsoft Computer Dictionary, Fourth Edition, Microsoft Press, copyright 1999. Examiner submits that the communications and steps disclosed by Logan meet this definition as defined in the dictionary since they are not governed by or dependent upon the timing of a clock. Furthermore, In response to applicant's arguments, the recitation "substantially asynchronous transaction steps" has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

Applicant further asserts that Logan does not disclose "convolving of an updated metric of use" and further indicates that the present invention presumes that a user will pay his royalty fees at the time of purchase and thereafter the holder of the collected fees will compute a statistical convolution of the reported sample of uses. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., paying royalty fees at time of purchase and computing a statistical convolution of the reported sample of uses) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Examiner notes that the claims, as currently recited, do not suggest that the computing step is based upon statistics or that the report is a sample of uses. The claims merely recite that convoluting an updated metric from data in the report and quantifying royalty owner rights for the materials. Examiner submits that Logan discloses these features as discussed in the previous office action which are repeated below. More specifically, Logan discloses convoluting an updated metric from data in the report by indicating that a number of reports are uploaded by the host based upon the record of actual player use by individual subscribers and the community of subscribers as a whole and that this report processing is performed in connection with financial and accounting functions including subscriber and advertiser billing, royalty payment accounting and marketing analysis processing (Col 7, lines 31-40); receiving and uploaded usage log (from which subscriber and advertising charges and content provider payments can be determined)(Col. 11 line 63-Col. 12 line 3); and incrementing the usage log to reflect the number of times a program segment has been used or played and that these records are used to determine the advertiser fee due from advertisers, or royalty amount payable to the content provider (Col. 21, lines 27-60 and Col. 28, lines 40-53).

Applicant further notes several areas of applicant's disclosure that teach a distinction between applicant's invention and the prior art, however, examiner again submits that although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims (See above).

With regard to claim 15, applicant asserts that Fleming is an interesting analytical tool, but not one that would be or has been incorporated by the ordinary man of the art to the domain of royalty owner rights distribution for downloaded packaged media collections. Applicant also asserts that Fleming solves a different problem. In response to applicant's argument that Fleming is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Fleming discloses a method for estimating usage of computer resources and further teaches a method for estimating/extrapolating the total usage of resources by all the users based upon usage of a representative sample of users. Examiner submits that the reference to Fleming is reasonably pertinent to the particular problem with which applicant was concerned since Fleming indicates that the total usage of a resource is important for a resource with an attribute or characteristic related to usage such as charging a fee based on the usage of the resource (Col. 1 line 55-Col. 2 line 16). Furthermore, it was generally well known at the time of applicant's invention that a portion of fees collected for usage of resources or information would be forwarded to the content provider to cover royalty expenses as shown by Logan.

Priority

3. Acknowledgment is made of applicant's claim for foreign priority based on an application filed in Israel on 13 February 2000. It is noted, however, that applicant has not filed a certified copy of the foreign application as required by 35 U.S.C. 119(b). Applicant has noted that a certified copy of the foreign priority will be sent under separate cover, however, this has not yet been received.

Drawings

4. The corrected or substitute drawings were received on 06 May 2003. These drawings are approved by the examiner.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-8, 10-14 and 20 are rejected under 35 U.S.C. 102(e) as being anticipated by Logan et al, U.S. Patent No. 6,199,076 B1.

As per **Claims 1-2, 4-6, 11, 13-14 and 20**, Logan et al disclose a business method for quantifying royalty owner rights, the method including a computerized system performing the substantially asynchronous transactional steps of:

- maintaining a registry of a plurality of users (Col. 6, lines 40-50; Col. 8, lines 12-24; Col. 9, lines 64-67; Col. 10, lines 17-20);

- providing materials including audio and visual contents and computer software to users by downloading via a distributed data-communications topology (Figure 1; Col. 5, lines 53-65; Col. 6, lines 1-12; Col. 8, lines 20-25; Col. 10, lines 19-29);

- maintaining a database of materials provided by the system to users of the plurality of users (Col. 5, lines 52-60; Col. 12, lines 57-67; Col. 18, lines 12-19; Col. 22, lines 40-60);

- using a substantially packet-based protocol over a distributed data communications topology, communicating with a user of the plurality of users (Col. 5, lines 30-60; Col. 7, lines 40-50);

- from the user, accepting a report of the users prior use of materials provided by the system (Col. 7, lines 14-40; Col. 9, lines 42-50; Col. 10, lines 20-37);

- from data in the report, convoluting an updated metric of use into respective materials records in the database (Col. 7, lines 31-40; Col. 9, lines 5-10; Col. 11 line 63-Col. 12 line 3; Col. 13, lines 32-37; Col. 21, lines 27-60; Col. 27, lines 40-48); and

- from the database, computing a quantification or predetermined contractual-based apportioning of royalty owner rights for the reported use of the respective materials by the user or plurality of users (Col. 7, lines 31-40; Col. 13, lines 32-39; Col. 17, lines 1-5; Col. 18, lines 40-50; Col. 21, lines 27-60; Col. 28, lines 24-55).

As per **Claim 3**, Logan et al further disclose wherein the provided materials include a user-computer executable program for facilitating the user maintaining a report for subsequent reporting to the computer system (Col. 10, lines 19-35).

As per **Claim 7**, Logan et al further disclose wherein the communication with the user includes accepting a request for downloading a plurality of substantially new materials (Col. 5, lines 50-55; Col. 6, lines 7-13 and 40-67; Col. 7, lines 10-31).

As per **Claim 8**, Logan et al further disclose wherein accepting a report of the users prior use includes an accounting of use since a most recent prior accepting from the user of a report of the users prior use (Col. 7, lines 31-40; Col. 9, lines 43-50; Col. 12, lines 57-67; Col. 18, lines 12-18).

As per **Claim 10**, Logan et al further disclose accepting a report of the users prior use including an accounting of the users recent use during a predetermined period of time (Col. 7, lines 35-40).

As per **Claim 12**, Logan et al further disclose wherein convoluting includes correlating the updated metric with the respective user profile (Col. 6, lines 40-50; Col. 7, lines 32-40; Col. 9, lines 15-20; Col. 10, lines 20-44; Col. 11, lines 4-8; Col. 18, lines 20-40; Col. 20, lines 60-65; Col. 22, lines 40-48; Col. 28, lines 5-24).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. Claims 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan et al, U.S. Patent No. 6,199,076 B1.

As per **Claim 9**, Logan et al discloses accepting reports of the users prior use of materials, however, fails to explicitly disclose accepting a report of the users prior use including an accounting of cumulative use, substantially since becoming a user. Logan et al does, however, disclose that subscriber billing is based on the accumulated amount of programming actually played by the subscriber. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to provide reports based on a users cumulative use of content for billing purposes as well as compensating content providers. One of ordinary skill in the art would recognize that any type of time period, intervals or cycles may be used such that it is convenient for the billing/accounting entity. Logan et al also disclose that detailed billing histories are constructed which would suggest that reports include a cumulative usage of content by the user.

9. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Logan et al, U.S. Patent No. 6,199,076 B1 in view of Fleming, III, U.S. Patent No. 6,230,204 B1.

As per **Claim 15**, Logan et al fail to explicitly disclose wherein apportioning is extrapolated to represent use by the entire plurality of users. Fleming discloses a method and system for estimating usage of computer resources and further teaches a method for estimating the total usage of computer

system resources by all users with access to those resources. Fleming teaches that a monitoring program is loaded onto each of the computer systems used by selected users so that usage of various computer system resources by the selected users is recorded and then transferred to a central facility wherein an estimation/extrapolation of the total usage of the computer resources of interest by all the users is based upon usage of the representative sample users (Abstract; Figure 10). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Logan et al and include the ability to apportion the royalty owner rights based upon extrapolation as taught by Fleming. Fleming provides motivation by indicating that it is useful to extrapolate a total usage based upon usage of a sample of users since it may be difficult to accurately measure usage for every user (Col. 1, lines 28-45).

Conclusion

10. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

11. **Examiner's Note**: Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of

the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

12. The prior art previously made of record and not relied upon is considered pertinent to applicant's disclosure.

- Archibald et al disclose a method that accounts for usage of digital applications and teach the use of a meter module to generate accounting information related to usage of content and routing this accounting information to a collection agency which credits the publishers
- INDATA [WO 90/02382] discloses an information distribution system and charges the user only for selected information provided. Use fees are accumulated by the user only for information that has been received and the user transmits the accumulated use fees to a central accounting office so that payments can be made to the creators of the content
- Ginter et al disclose transmitting usage reports from the user to a billing entity/clearinghouse and handling of payments of royalties to the content creators
- Dillon discloses an electronic document distribution system including a deferred billing mechanism
- Reeder discloses a usage monitor for monitoring usage of software and communicating the usage information to a central billing station
- Kazmierczak et al disclose a system wherein data usage is metered locally and recorded as a stored data usage record and is later reported by modem to an operations center
- Coffey et al disclose a computer use meter and analyzer for measuring and reporting the use of a computer
- Wolfe et al disclose a system for delivering music and ads to subscribers, determines frequency of play/use and bills advertisers and provides royalties to content providers
- Taub et al disclose a system for downloading content to schools wherein the school's main computer tracks usage and occasionally reports the usage for payments of royalty.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
Washington D.C. 20231

or faxed to:

(703)305-7687 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-5531 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

John W. Hayes
Primary Examiner
Art Unit 3621

July 3, 2003